1938-39-40 **File No.** 2975/36

PUBLIC WORKS DEPARTMENT

A CLASS. M. **BRANCH**

Subject:— Electric License
Bijapur
Report of the Electricity Advisory Committee on the levy of charges by the Bijapur Electrical Supply Co.

D-43
(F)

IV

A [illegible] 40

M

File No. 2975/36

Std. Sectt. 24-B.-2052

REPORT OF THE COMMITTEE APPOINTED TO ENQUIRE INTO THE CHARGES FOR ELECTRICAL ENERGY LEVIED BY THE

BIJAPUR ELECTRIC SUPPLY CO.LTD.,

AND TO ADVISE GOVERNMENT AS TO THE MAXIMA CHARGES THAT THE COMPANY MAY BE PERMITTED TO LEVY.

Introductory.

1. Organisation: The Bijapur Electric License was granted to Mr. A.K.G.Bohari in 1926. He worked it till 1936 when he floated a Company called the Bijapur Electric Supply Co.,Ltd., and transferred his undertaking to the Co. The assets of the undertaking were taken over at values fixed by the Engineer while Rs. 5,000 /- was agreed to be paid as a consideration for the transfer of the License.

The registered office of the Company is situated in Bijapur and all the financial and statutory records are maintained there. The general conduct of the business is in the hands of the Managing Director Mr. A.K.G. Bohari. He is assisted by an Engineer, Head Clerk and other staff. The stores required are mostly purchased from a particular firm in Bombay, the vouchers for which are in Gujarati. The allocation between the capital and revenue is given by the Managing Director. No stores accounts are being maintained, the purchases of stores (except oil) being debited direct to the different works of account heads.

The Company have unlimited powers of borrowing, every shareholder having one vote for each share held. The names of the present Directors, their qualification and remuneration are given below :-

Directors: Maximum 4 ; Minimum 2.

1. Mr. Abdulkayum Gulamali Bohari,
2. Mr. Inayatali Esmailji.

Qualification: Holding of shares of the nominal value of Rs. 20,000/-

Remuneration : Not fixed.

2. Basis of enquiry: The investigation has been carried out with special reference to the accounts for the year ending 31st March 1937.

We carefully considered the material submitted to us by the Special Auditor appointed by Government to investigate into the financial position of the electrical undertakings in this Province. On the basis of the facts submitted by him, we interviewed the representatives of the Company and examined them on all points bearing on the finances of the Company. Our conclusions are embodied in the following paragraphs.

3. Management : There are no Managing Agents for this Company. One of the Directors, who was also the original licensee, has been appointed to manage the affairs of the Company as Managing Director on a remuneration as detailed below :-

(a) An allowance of Rs. 150/- a month or a commission of 20 per cent on the

profits before charging such commission, whichever is greater.

(b) free electricity for his use.

(c) conveyance expenses upto Rs. 60/- a month.

CHAPTER I

Progress and Development of the Coy.

FINANCIAL STRUCTURE.

4. Share Capital : The authorised capital of the Company is Rs. 2 lakhs, consisting of :-

150 Ordinary shares
50 Preference shares - 6% } of Rs. 100/-each

76 ordinary shares and 10 preference shares have so far been issued bringing the Issued and Paid Up capital to Rs. 86,000/- which includes Rs. 50,000 of shares (45 ordinary and 5 preference) issued to the vendors as the purchase consideration.

5. Loan Capital : The loan outstanding at the end of the year 1936-37 was Rs. 54,192/- most of which bears interest at 9 per cent. This loan includes Rs.3,840 being the balance of Rs. 5,000/-advanced by the Municipality to aid the Company in the installation of public lamps.

Capital Structure.

6. (a) Capital Expenditure : The capital expenditure to the end of the year 1936-37 under the different items, is shown below :-

	Rs.
License.	5,000
Preliminery Expenses	770
Buildings.	8,617
Plant.	50,593
Mains.	73,660
Meters.	8,114
General Stores	2,588
Public lighting.	10,035
Electric fittings in Govt. buildings.	1,736
Motor Car.	1,000
Total.	1,62,113

The plant capacity installed is 203 K.W. and the capital cost of the undertaking works out to Rs. 774/- per K.W. of plant installed.

The assets shown above are at values at which they were taken over from the vendors plus additions actually effected in the current year. During the audit year an Engine was purchased at a cost of Rs. 10,107/-. The other additions are under Mains, Meters and Public lights.

Two engines were sold during the audit year for a sum of Rs. 4,600/-.The original cost of these Engines was Rs. 5,500/- but the value taken out of the block account was only Rs. 4,600/- The value of the plant, at the end of the year therefore stands overstated to the extent of Rs. 900/-

It has been explained in the introductory para that the original licensee sold the license to the present Company in March 1936. The value of the assets as at 31st March 1936 and that at which the assets were taken over by the Company are compared below :-

Items.	Original value as at 31-3-36	Value at which taken over.
	Rs.	Rs.
Preliminery Expenses.	4,100	-
Buildings.	11,713	8,500
Plant.	46,012	41,012
Mains.	37,844	58,750
Meters.	7,111	7,100
General Stores	1,771	1,770
Other Stores.	2,958	2,188
Debtors.	5,413	6,413
Investments.	1,000	
Public lighting.	6,915	7,900
Fitting (Government installations)	1,079	1,079
Motor car.	1,000	1,000
Suspense.	259	-
Cash.	157	157
	1,27,332	1,35,869
Consideration for the transfer of License.		5,000
		1,40,869

It is to be noted that the original value on 31-3-1936 as shown in Col.(2) represents the gross value of the assets on that date against which the depreciation provided by the old undertaking was Rs. 26,397/- In the ordinary course of events, the assets should have been transferred at the original cost less depreciation but actually, for reasons best known to the vendors and the purchasing Company, the assets were taken over at a revised value which exceeded the net value of the assets by nearly Rs. 40,000/- (26,397 + 13,537)

We do not see any justification for the enhanced valuation and have therefore valued the assets at cost as on 31st March 1936, from which we have deducted the accumulated depreciation to the date of transfer in order to arrive at the net value of the assets on the date of transfer.

7. Depreciation Fund :(Rs. 5,849/-) This fund represents the provision made for the current year only, this being the first year of the Company's existence and works out to 3.8 per cent of the depreciable capital. The rates of depreciation adopted are those allowed by the Income tax authorities.

The amount of depreciation calculated according to the different methods, would be as follows :-

At income tax rate.	Rs.	5,849
At white paper rates.	"	4,379
12 per cent of gross revenue	"	4,460
Half income tax rates.	"	2,925
Actual provision	"	5,849

An amount equal to 12 per cent of gross revenue has been allowed as a reasonable charge on account of depreciation.

8. Cash position: The balance of debtors and cash at the end of the year total Rs. 14,490/- against the current liabilities of Rs. 31,715/-. The cash position should thus be considered very adverse. The loan of Rs. 54,192/- outstanding at the end of the year has been excluded in assessing the cash position.

9. Percentages of turnover on capital :

The turnover this year works out to 23 per cent on the total capital expenditure which should be considered fairly satisfactory.

10. Valuation of Properties for the purpose of determining a "fair return :

In para 6 it has been explained that the assets were taken over at an enhanced valuation by the Company for no apparent or valid reason. We have worked out the value of the assets on the basis of the previous year's accounts and the total gross capital expenditure amounts to Rs. 1,48,446 as below :-

Items	Value as at 31-3-1936	Additions during 1936-37.	Value as at 31-3-1937
	Rs.	Rs.	Rs.
License.	¶	-	5,000
Preliminery expenses.	-	770	770
Buildings.	11,713	117	11,830
Plant.	46,012	9,581	55,593
Mains.	37,844	14,909	52,753
Meters.	7,111	1,014	8,125
General Stores.	1,771	818	2,589
Public lighting.	6,915	2,135	9,050
Electric fittings in Govt. buildings.	1,079	657	1,736
Motor Car.	1,000	-	1,000
	1,13,445	35,001	1,48,446

The total capital expenditure on 31-3-1937 as worked out above includes intangible assets amounting to Rs. 5,770 which has been excluded from the gross capital expenditure in arriving at the

value of the properties for the purpose of determining a return to the investors. These intangible assets do not represent actual physical assets and should therefore be written off over a period of years. We have made allowances for such a write off, in our estimate of the surplus.

Further the total depreciation provided by the old Licensee together with that provided by the present Company, will have to be excluded from the gross capital expenditure in order to arrive at the net value of the assets. The justification for this is that the shareholders are not equitably entitled to a return on the value of the assets acquired from the depreciation reserve.

Had the depreciation fund been properly invested, it would have earned interest which would have been available for reducing the charge on operating expenses on account of depreciation. When a Company invests its reserves in its business, it in effect borrows that amount from the reserve and should therefore pay interest to the reserve, which would eventually be used to reduce the debit on account of depreciation. In this report, instead of reducing the charge on account of depreciation, we have reduced the value of the assets on which a return is to be calculated, by the amount of the accumulated depreciation. We have however allowed an additional return of 2 per cent on the

depreciation reserve as the reserve, if invested outside, is expected to earn only 4 per cent whereas the return to the investors has been allowed at 6 per cent.

The net value of the assets would thus be Rs. 1,10,430 as below :-

	Rs.	Rs.
Total capital expenditure.		1,48,446
Less Intangible assets.	5,770	
Accrued depreciation till end of 1935-36	26,397	
Depreciation for 1936-37.	5,849	38,016
Net value of assets.		1,10,430

CHAPTER II.

Working Cost, Management Expenses Revenue and Appropriations.

REVENUE STRUCTURE.

11. Revenue Position.: The revenue position as at 31st March 1937 may be summarised as below :-

	Rs.
Gross Revenue.	37,165
Less Working expenses.	37,173
Net loss.	8

No dividend was declared in the year.

The working expenses of the three years ending 1936-37 together with the cost per unit sold are compared below with a view to ascertain the scope, if any, for economy in any of the items of expenditure.

Year.	1934-35			1935-36			1936-37		
Units sold.	73,599			97,029			102,303		
Items.	Amount	Cost per unit sold	%age to gross revenue	Amount.	Cost per unit sold	% age to gross revenue.	Amount	Cost per unit sold.	%age to gross revenue
1	2	3	4	5	6	7	8	9	10
	Rs.	As.		Rs.	As.		Rs.	As.	
Fuel and Stores.	8,332	1.811	30	8,013	1.322	22	9,205	1.440	25
Salaries & wages(excl. management)	3,811	.829	14	3,978	.656	11	5,897	.922	16
Repairs and maintenance	2,885	.627	10	3,609	.595	10	3,394	.531	9
Rent Rates & Taxes.	198	.043	-	152	.025	-	191	.030	-
Management Managing Directors' remuneration	-			-			1,800	.281	5
General Establishment &c.	5,465	1.188	19	6,675	1.101	18	5,471	.856	15
Working Expenses.	20,691	4.498	73	22,427	3.699	61	25,958	4.060	70
Depreciation.	3,826	.832	14	5,299	.874	14	5,849	.915	16
Interest (net)	2,067	.449	7	10,385	1.671	29	5,366	.839	14
Total cost	26,584	5.779	94	38,111	6.244	104	37,173	5.814	100
Gross Revenue.	28,174			36,557			37,165		
Revenue from electricity.	24,654			31,358			33,380		
Percentage of cost to Revenue from electricity.			108%			122%			111%

The cost of generation in 1936-37 amounted to 2.92 annas per unit sold, whilst the total cost is as high as 5.81 annas per unit. This high cost is ascribed mainly to there being practically no load during the day. Moreover, the Company has to pay a large amount as interest on loans borrowed at high rates, the cost of which in 1936-37 alone amounted to 0.8 of an anna per unit sold.

The generation and distribution salaries and wages are approximately Rs. 500 and office salaries Rs. 120 a month. The distribution of the salaries of the technical staff between "generation, distribution" and public lamps is on the basis of actuals. The office salaries are included in the " General Establishment charges". The expenses under these heads do not appear to us to be unreasonable.

As has been stated before, there are no Managing Agents for this Company. The Managing Director is paid Rs. 150/- a month as remuneration for his services in accordance with the terms of the Articles of Association. We have allowed this as a reasonable charge on this account.

The general establishment charges include office salaries of Rs. 1,316 and other miscellaneous expenses incidental to the working of the concern such as postage, travelling expenses, contingencies, Motor expenses etc. which do not admit of much curtailment.

12. Receipts: The receipts in the three years ending 1936-37 are given below :-

Year.	Revenue from electricity.	Other receipts.	Total.
	Rs.	Rs.	Rs.
1934-35	24,654	3,520	28,174
1935-36	31,358	5,199	36,557
1936-37	33,380	3,785	37,165

The receipts show a slight annual improvement though when compared to 1934-35, the improvement is good.

13.(a) The number of units sold, average price obtained, cost etc., are set out in the following statement :-

Year.	Units sold.	Revenue from electricity.	Aver. per unit sold.	Other receipts.	Aver. per unit sold.	Cost.	Average per unit sold.	Total connections in K.W.	Load factor.
		Rs.	As.	Rs.	As.	Rs.			
1934-35	73,599	24,654	5.360	3,520	.765	26,584	5.779	125	-
1935-36	97,029	31,358	5.172	5,199	.857	38,111	6.244	102	31.07
1936-37	102,303	33,380	5,221	3,785	.592	37,173	5,814	110.2	15.68

(b) The units sold to the different classes of consumers are as below :-

Year.	Total.	Public lamps.	Special contract.	Lighting.	Power.
1934-35	73,599	21,819	707	43,859	7,214
1935-36	97,029	32,560	12,240	41,892	10,337
1936-37	102,303	46,082	6,228	45,849	4,144

It will be seen from this statement that the whole of the supply is for general and Municipality lighting , the units sold for other purposes being negligible.

14. Load Factor :- The load factor this year is 16 per cent against 31 per cent of the previous year. The reduction in the load factor is stated to be due to the installation of a new engine during the year under review. Moreover, there is very little day load.

15. Loss in distribution : The loss in distribution amounts to 14 per cent. This high loss is explained to be due to the wide area of the distribution system for Municipal lamps with a small number of private connections.

APPROPRIATIONS.

16. Reserve Fund : No Reserve Fund has as yet been created. It is desirable that a reserve equivalent to 10 per cent of the net block of the Company should be created by an annual appropriation of a sum equal to one quarter of one per cent of the block.

This is the first year of the Company and no dividend has been declared. Some of the shareholders have however received interest at the rate of 9 per cent on the amounts advanced by them. The Company, it seems, can effect a certain amount of saving if the loans are repaid by issuing a corresponding amount of share capital.

17. Fair return to the Investors : We have come to the conclusion that in prescribing the maxima rates a return of ~~at least~~ 6 per cent on the net capital expenditure should be allowed to the investors. The return at this rate on the net value of the assets of Rs. 1,10,430, as arrived at in para 10 works out to Rs. 6,626, which amount should however be regarded as sufficient to pay dividends, interest and incometax. We have accordingly allowed this sum in our calculation of the profits available for distribution to the consumers in the form of reduced rates.

18. Estimated Deficit: Taking all the foregoing factors into consideration, we estimate the deficit at Rs. 1,008 as arrived at below :-

		Rs.
Gross Revenue.		37,165
Less		
Working expenses excluding interest and depreciation.	Rs. 25,958	
Depreciation at 12% of the gross revenue.	" 4,460	
1/4 per cent reserve for contingencies.	" 364	
Write off of intangibles.	" 120	
2% on depreciation reserve.	" 645	
6% return on capital.	" 6,626	
	-------	38,173
	Deficit.Rs.	1,008

CHAPTER III

The Company's present rates and charges and the Committee's suggestions

Rates : The rates charged are :-

Lighting : 6 annas per unit. Plus Meter Rent annas 0-8-0, subject to a minimum of Rs. 3/- for a connected load of 300 watts and Re. 1 addition for every 100 watts in excess of the first 300 watts.

Power : 3 annas a unit, plus a fixed charge of Rs. 5/- per K.W. of connected load. Meter Rent 0-8-0

CONCLUSION.

After carefully considering all the foregoing facts we have come to the conclusion that no reduction in the rates charged by the Company for supply for lights and fans can be demanded just at present. We therefore recommend that the Company may be allowed to continue to charge the present rates for two years more. After this period, the position should be reexamined and reductions made in the rates if circumstances then justify such a course.

We, however, suggest that the maxima charges for power be fixed as below :-

A standing charge of Rs. 1-8-0 per B.H.P. per month plus an energy charge of .9 anna per unit.

The Company has practically no power load and the fixation of the above maxima will not materially affect the revenue

position of the Company. During the interview, the Company's representatives stated that they would be prepared to reduce their Power rates to 1 anna per unit if the consumers could be persuaded to take supplies from the Company. We think that the rates proposed above, which will give the suppliers an average income of 1.2 anna per unit is reasonable and will help to stimulate the demand which in its turn will re-act beneficially on the revenue of the Company.

In arriving at our conclusions we have not taken into consideration the probable increase in profits due to increased turnover. Any gain arising from this source should first of all be distributed among the lighting and fan consumers by reducing these rates after the anticipated gain has been accurately ascertained after the elapse of 2 years.

Conclusion :

The rates sanctioned in the license, the rates in force as on 1st April 1938 and our suggested maxima rates are shown in the tabular statement below :-

Rates sanctioned in the license.	Rates in force as on 1st April 1938.	Our suggested maxima rates.
(a) For lighting, fans and heating purposes at the rate of Annas eight per unit consumed (exclusive of meter rent of Rupee one per month per meter installed).	Annas 6 per unit.	Annas six per unit.
A minimum monthly charge exclusive of meter rent of Rupee one per meter will be made as follows :-		
Up to 300 Watts connected load - Rs. 3 (Rupees three)	Rupees Three	
For every additional 100 watts load connected - Re. 1/- (Rupee one).	Rupee One.	
(b) For power and purposes other than those specified in 2 (a) a fixed charge of Rs. five per mensem per Killowatts of load connected, plus Annas three per unit for the total number of units consumed during the month, exclusive of meter rent of Rupee One, per meter, per month.	Annas three per unit plus a fixed charge of Rs. 5/- per K.W.	A standing charge of Rs. 1/8/- per B.H.P. per month plus A unit charge of .9 anna per unit for all units consumed during the month.

CHAIRMAN. MEMBER. MEMBER. MEMBER & SECRETARY.

2325—55,000—8-23—(K2*)—st.

DOCKET SHEET.

Std. Sectt. 78 a

Subject :—

File No. 2975/36

P. W. DEPT.

M. BRANCH.

References :—

A CLASS.

Date.	To whom sent.	Notes and Instructions.
31/10	Sub.	Examined 6-7-40 RH
18/12	MB.	↓ 14-8-50
30/8	File (B)	File (A)

Office Of
The Electrical Engineer to Govt.,
P.W.D. Offices, Church Gate Street:
Bombay, 27th October 1938.

In reply please quote without fail No.L.31/2499 of 1938.

From

The Electrical Engineer to Government,
Public Works Department, Bombay.

To

The Secretary to Government,
Public Works Department, Bombay.

Subject: Report of the Electricity Advisory Committee.

....

Sir,

I have the honour to forward the Report of the Committee appointed to investigate into the rates of all the Electric Supply Companies in the Province of Bombay which are of more than 7 years' standing and to recommend the maxima rates which they can be allowed to charge, together with detailed reports on the following Companies:

1. The Tata Hydro-Electric Power Supply Co.,Ltd.
2. The Andhra Valley Power Supply Co.,Ltd.
3. The Tata Power Company, Limited.
4. The Bijapur Electric Supply Co.,Ltd.
5. The Kalyan Electric Supply Co.,Ltd.
6. The Broach Electric Supply & Development Corporation, Ltd.
7. The Hubli Electricity Co.,Ltd.
8. The Dharwar Electric Supply Co.,Ltd.
9. The Bombay Suburban Electric Supply Co.,Ltd.
10. The Panvel Taluka Electrical Development Co.,Ltd.
11. The Dhulia Electric Supply Co.,Ltd.

The summarised statement referred to on page 23 of the Report is being prepared and will be forwarded as soon as possible; as also the detailed reports on the remaining Companies.

I have the honour to be,
Sir,
Your most obedient servant,

Sd/- R. G. Higham,

Electrical Engineer to Govt. &
Secretary,
Electricity Advisory Committee.

Encl:- 18.

31/10

PUBLIC WORKS DEPARTMENT
File No. 2975/26
31 OCT 1938
Serial No. 24671

Ans

31-x-38

2b
31.10

2975/36

M.B.

Submitted.

2. These papers deal with the detailed report of the Electricity Advisory Committee on the Bijapur El.Supply Co.Ltd. The report is self contained and does not call for any remarks. In Chapter III of the Report the Committee has made certain recommendations re: reduction of rates. So far as the rates charged by the Co. for supply for lights and fans are concerned the Committee has not suggested any reduction. The Committee has however suggested reduction in the rates for power. The rates sanctioned in the license, the rates in force as on the 1-4-38 and the Committee's suggested maxima rates are tabulated on p18 of the report. It is for consideration whether the Coy.may in the first instance be asked to introduce at once the revised rates for.power as recommended by the Committee. It is also for orders whether a copy of the Committee's report may be forwarded to the Coy.so that they may know the ways and means suggested by the Committee as to how they can reduce their rates and charges. p1

3. The necy.action on para.2 of the El.Engr's letter within is being taken separately.

B.K.R.
21-11-38.
197

21-11-38.

Similar action to be taken in this case as already recommended in other cases of the same nature.

23/11

Submitted
H. M. P.W.D.

H. M. F.D. (Through Sec. F.D.) 24/12

FINANCE DEPARTMENT
File No.
- 5. DEC. 1938
Serial No.

M.B.

Resubmitted with ref. to the notes on p. 3

2. The H.M.,P.W.D.,has separately given orders for the issue of letters to the different Supply Coys. The necessary draft letter is accordingly put up for approval.

4-2-39

2975/36 -

No.2975/36-M.
Public Works Deptt.
B.C., 11th ~~Jany~~ Feb. 1939.

To

The Managing Director,
The Bijapur Elec.Supply Co.Ltd.

Subject:-Bijapur Elec.License:
Charges for the supply of elec. energy.

...

Dear Sirs,

I am directed to state that the Committee appointed by Govt.to investigate into the question of the rates etc., of the Elec.Supply Coys.has recommended that the following maxima charges should be allowed for the supply of electrical energy by your Coy:-

(1) For lighting and fans ~~and heating purposes~~ As.6 per unit.

(2) For Power.- A standing charge of Rs.1-8-0 per B.H.P.per mensem plus a unit charge of 0.9 anna per unit for all units consumed during the month.

(3) Meter rent.-As.4 p.m.for a single phase meter and as.8 p.m.for a polyphase meter.

Govt.accept the recommendations made by the Committee and I am directed to request you to arrange to reduce the rates of supply accordingly and inform Govt.of your having done so as soon as possible. A copy of the Committee's report is enclosed herewith for information.

Yours faithfully,

D.A.-Copy of the Committee's report referred to.

Copy forwarded with compliments to -

the.....

2975/36

the Commr.,S.D.,
the Collr.of Bijapur,
the El.Engr.to Govt.,

for information.

M.K.D.
26-1-39.

4-2-39.

ISSUED
15 FEB 1939

Copy of letter No. LRM-8/1417, dated 21st of July 1938, from the Electrical Engineer to Government, Public Works Department, Bombay; to the Bijapur Electric Supply Co., Ltd, Bijapur.

"Re:- The Bijapur Electric License, 1926-
Revision of conditions of supply -

.....

With reference to your letter No. G-369 dated the 4th July 1938, I have the honour to state that the rates for the supply of energy are to be printed by you independently of the conditions of supply.

As regards para.7 of Part II of the conditions of - supply, para.7 (1) (b) may be retained.

The meter rent proposed by you for D.C.meters may be retained.

The copy of the conditions is returned herewith for your initials and very early return in triplicate."

"True Copy"

N.K. Bohara

Manager.

Electric Supply Co.

The Bijapur Electric Supply Co. Ltd. Bijapur.

No. G-150 *of 1939.*

Bijapur. 21st February 1939.
M. & S. M. Ry.

TO,

The Deputy Secretary to Government,
Public Works Department,
Bombay.

Subject:- Bijapur Electric License:
Charges for the supply of electrical energy.

. . .

Sir,

With reference to your letter No.2975/36-M, dated the 11th of February 1939, we beg most humbly and respectfully to bring to your kind notice that the Sub-Committee appointed by Government have nowhere recommended in their report that any reduction in the rate of meter rent should be made. They have come to the conclusion after carefully considering the present position of our Company that no reduction in the rates charged by our Company for supply for lights and fans can be demanded just at present and they therefore have recommended that our Company may be allowed to continue to charge the present rates for two years more. In-spite of this recommendation, we have now been asked to reduce the present rate of Annas 8/- to Annas 4/- P.M. for a single phase meter and to Annas 8/- per mensem for a poly phase meter. In this connection we beg to point out with due deference that the system of our supply is D.C. The price of D.C. meters is nearly double that of an A.C.meter and the cost of maintenance of these meters is also comparitively higher. This fact was once brought to the notice of the Electrical Engineer to Government when a representation by the local Municipality was made to him for the reduction in the rate

the rate of meter rent. When this fact was considered by him, he had also accepted our explanation and asked us to retain the present rate in the new conditions of supply - awaiting sanction of Government. (Please vide correspondence ending with letter No.LRM-8/1417, dated 21-7-1938 from the Electrical Engineer to Government of Bombay; copy of his - final letter is enclosed for ready reference). The reduct- ion in the rate of meter rent will entail a loss of a monthly revenue of Rs.150/- to 200/- viz: about Rs.2000/- a year - which, of course, will mean a big loss to our Company under the present financial stringency.

2 As regards the reduction in the rate for the supply of electrical energy for power purposes, the rate recommended by the Sub-Committee and accepted by Government is also sure to bring a loss to our Company as the standing charge now - sanctioned is too low. As personally explained by us before the Sub-Committee when we were kindly called upon to be - present, we were ready to supply energy at the rate of one - anna during the day-time provided the rate in the standing charge was reduced to no less than Rs.2/- per B.H.P. in the least. The rate of 0.9 anna may be favourable in the case of power generated by hydraulic pressure but in our humble opinion it may not hold good in the case of power generated by Crude Oil Engines, the working of which is always more - expensive.

3 Under the circumstances mentioned above, we most humbly beg to request you to move Government to be graciously pleased to reconsider their decision both in the case of - reduction in the rate for the supply of energy for power - purposes and especially in the case of rate in the meter - rent and pass such orders as will be deemed reasonable and proper. Our financial year commences from the 1st of April every year and it is therefore humbly hoped that Government will be graciously pleased to pass their orders before that date so as to enable us to bring into force the new rates -

from the

from the commencement of the next financial year.

Soliciting the favour of compliance,

We beg to remain,
Sir,
Yours faithfully ,

W.K.E. Bohaer
Manager.
The Bijapur Electric Supply Co. Ltd.

Encl:- one.

PUBLIC WORKS DEPARTMENT
File No. 2975/36
22 FEB 1939
Serial No. 5048

2975/36

5048

(M-13) Submitted with reference to G.L. No. 2975/36-M dt the 11-2-39.

2. The papers may be referred to the El. Engr. to Govt. for favour of remarks, if any.

3. So far as the meter rent is concerned, although the Committee has not made any suggestion in its report, it has separately recommended a rent of annas 4 p.m. for a single phase meter and annas 8 p.m. for a 3ph polyphase meter & the Coy. was requested to give effect to the Committee's recommendation.

28-2-39

28/2

M.O. to Wallace. Supdg. Electn.

dlb.

Copy sent to

× In the summaries & draft of recommendations accompanying the General & Govt. letter the 3 ph is 4 annas.

ELECTRICITY
TO GO
Inwd. No. 4553
3 " R.....39
No. 18

Below U.O.R.No.2975/36/5048 dated the 1st March 1939, from Government in the Public Works Department.

No.L-8/ [illegible] of 1939.

Bombay, 30th March 1939.

Seen and returned, with compliments.

2. The contention raised by the Bijapur Electric Supply Co.,Ltd. with regard to the rate of meter hire is correct, and the Electricity Advisory Committee, when considering the meter rate for this Company, decided to allow the amount of 8 annas per mensem to remain, in view of the cost of the meters and the small size of the Supply Company. It is, therefore, suggested that the Supply Company be allowed to charge their existing rate of 8 annas for meter hire.

3. With regard to the question of power, it was pointed out in the Committee's report that the Company had practically no power load, as it will be seen from the figures given on page 13 of the report; out of a total of 102,303 units sold during the year 1936-37, only 4,144 units were supplied for power. It was pointed out to Mr.Ghulamally, the representative of the Company, at the interview which he had with the Committee that by reducing his power rates, we would possibly attract more power load. With this end in view, the Committee fixed the maximum rate for power at Rs.1/8/- per B.H.P.per mensem, plus 0.9 anna per unit for all units consumed. The Bijapur Electric Supply Company, Ltd. should be requested to adopt this rate.

Electrical Engineer to Govt.

P.

(M.B) Submitted

2 In view of the remarks p19 of the Electrical Engr. to Govt., the Engr. may be addressed as per draft put up p21

[illegible]
7-3-39

[illegible]
8/3

Report

PUBLIC WORKS DEPARTMENT
File No. 2975/36
3 - MAR 1939
Serial No. 5800

wvb 4/3

MB
3-3-39

[illegible]
4/3

2975/36/5800

No.2975/36.M.
P.W.D.,B.C., 11th March 1939.

To

The Managing Director,
The Bijapur El.Supply Co.Ltd.,
Bijapur.

Subject:-Bijapur El.License:
Charges for the supply of
electrical energy.

Dear Sir,

With ref.to your letter NoG.150, dated the 21-2-39 on the subject mentioned above, I am directed to state that in the circumstances mentioned by you, Govt. is pleased to allow you to retain the existing rate of annas 8 per month for meter hire.

2. With regard to the question of the rate for power supply, it will be seen from the Committee's report that your Coy. has practically no power load. Out of the total of 1,02,303 units sold during the year 1936-37, only 4,144 units were supplied for power. As pointed out to the representative of your Coy.at the interview which he had with the Committee, by reducing the power rates your Coy.will possibly attract more power load. With this end in view, the Committee has fixed the maximum rate for power at Rs 1-8-0 per B.H.P.per mensem, plus 0.9 anna per unit for all units consumed and I am to request you to adopt this rate.

Yours faithfully,

Copy forwarded with compliments,to the Cmmr.,S.D.) with ref.to Govt.
the Collr.of Bijapur) endt.No.2975/36-M,
and dated the 14-2-39.

the El.Engr.to Govt.(with ref.to his No.

2975/36

No.L.8/3949, dated the 3-3-39.

for information.

B.K.R.
6-3-39.

ISSUED
13. MAR 1939

The Bijapur Electric Supply Co. Ltd. Bijapur.

No. G-199 of 1939.

Bijapur 22nd March 1939.
M. & S. M. Ry.

To,

The Deputy Secretary to Government,
Public Works Department, Bombay.

Subject:- Bijapur Electric License:
Charges for the supply of
electrical energy.

.....

Sir,

With reference to your No.2975/36M, dated the 11th inst., we are highly indebted to Government for their orders in allowing us to retain the existing rates of Annas 8/- per month for meter hire.

With regard to the question of the rate for Power - [redacted]pply, we beg most humbly and respectfully again to bring to your notice that the rate below one anna & of the Standing rate fixed, are too low. We are of opinion that a similar - rate must have been fixed in the case of other Electric - Supply Companies in the Presidency and it is just likely that representations from them in that behalf may be received by Govt. If Govt. are pleased to consider and to send them to the Committee for reconsideration, we shall feel highly - obliged if you will be graciously pleased to include our case also, so that, it will be duly considered and decided in such a way as will be deemed reseanable and proper .

P.T.O.

Soliciting the favour of compliance,

We beg to remain,

Sir,

Yours faithfully,

A.K.E. Bolton

Manager.

(M.S) Submitted cutting reference
p21
to G.L. No 2975/36 dt 11-3-39.

....

2. The Coy's reply may be shown w.r.t. to the EE Coy. to Govt. for remarks, if any.

28-3-39

28/3

w.r.t. to Chillee Coy - Govt. order

S.S. 10/3/39 w.r.t.

31 MAR 1939

w.r.t. to the Coy is furnished 24/3

PUBLIC WORKS DEPARTMENT
File No. 2975/36
23 MAR 1939
Serial No. 7522

24/3

23-3-39

28-4-39

Below U.O.R.No.2975/36/7522 dated the 30th March 1939, from Government in the Public Works Department.

No. L.8 of 1939.

Bombay, 1st April 1939.

Returned, with compliments.

2. It is suggested that this letter be kept on record and reconsidered when the accounts for the year 1937-38 have been audited by the Accountant General, Bombay.

Electrical Engineer to Govt.

P.

1 Report

PUBLIC WORKS DEPARTMENT
File No. 2975/36
1- APR 1939
Serial No. 8369

2nd 3/4

2nB
1-4-39

2nd
4/4

(M.B.) Submitted.

2. The rate charged by the Bijapur El.Supply Coy.Ltd. for power purposes is as follows:-

> A fixed charge of Rs 5 p.m. per K.W. connected, plus annas 3 per unit.

The Electy.Advisory Committee has recommended the following charge for power supply by this Coy:-

> A standing charge of Rs 1-8-0 per B.H.P. per month plus a unit charge of 0.9 anna for all units consumed during the month.

The Coy.considers the rate suggested by the Committee to be too low and requests that the matter may be refd.to the Committee for reconsideration. The El.Engr.to Govt. suggests that the Coy's letter dated the 22-3-39 may be kept on record and reconsidered when the accounts for the year 1937-38 have been audited by the A.G. Bombay.

3. It may be stated in this connection that the Coy.has already submitted its accounts for the year 1937-38 duly audited by its own auditors. It has been decided that the audit bythe A.G.should commence from the year 1938-39 and the Coy is being separately asked to submit its statements of accounts for 1938-39 to the A.G. before the 1st Oct.1939. It will thus be some time before the audit is completed and the A.G's report is recd.in respect of this Coy.

4. From para.2 of the Coy's letter on p. 13 ante it will be seen that the Coy.expressed before the Committee its readiness to supply energy for power purposes at the rate of 1 anna per unit during the day time

2975/36

not less than
time with a standing charge of Rs 2 per
compares
B.H.P. This &xxx very favourably with
the rate at present charged by the Coy.
and if possible, the consumers may be allow-
ed to get benefit of this lower rate, pend-
ing final decision of Govt. in the matter.

5. In the circumstances stated above,
it is for consideration whether the Coy.
may be informed that the question of power
rate to be charged by it will be examined
further in due course and the decision of
Govt. will be communicated to it when
arrived at. In the meantime it should be
given effect to the reduction in rate
to the extent agreed to by it before the
Committee from the 1-4-39. The El.Engr.
to Govt. may see u.o. first.

B.K.R.
14-4-39.
393

15-4-39

ye. El. Engr to G. should
see ado.
15/4

u.o. to Chief Engr. to Govt.
15/4

Below U.O.R.No.2975-36/8369 dated the 17th April 1939, from Government in the Public Works Department.,

---

L.Rw.8

No. 300 of 1939.

Bombay, 1st ~~April~~ May 1939.

Returned, with compliments.

2. The question of rates for power was discussed by me with Mr.Bohari of the Bijapur Electric Supply Co.,Ltd. who had called at this office on the 27th instant. Mr.Bohari has agreed to reduce the rates for power as given below:-

For power supply during day and night, including pumps	-	A standing charge of Rs.2/- per B.H.P.connected per month or part thereof, plus annas two per unit.
For power supplied over 3 B.H.P.during day time only, from 6 A.M.to 6 P.M., excluding pumps.	-	A standing charge of Rs.2 per B.H.P.connected per month or part thereof, plus anna one per unit.

3. It is suggested that the Company may be requested to bring the above revised rates into force from 1st April 1939, as they are beneficial to the consumers, pending the examination of their accounts for 1938-39 by the Accountant General, Bombay, and issue of Government orders on the same.

Electrical Engineer to Govt.

P.

(M-B) Submitted

2 Drs in view of the
remarks made by the Sec. Engg.
to Govt., the Engg. may be
p25 p31
advised, as per draft forwarded

5-5-39.

5/5

PUBLIC WORKS DEPARTMENT
File No. 2975/36
1 MAY 1939
Serial No. 10665

1/5

2/5

No.2975/36.M.
P.W.D.,B.C., 9th May 1939.

To

The Manager,
The Bijapur El.Supply Co. Ltd.,

Subject:- Bijapur El.License:
Charges for the supply of electrical energy.

Dear Sir,

With reference to the corres. ending with your letter No.G-199, p23 dated the 22-3-39, on the subject mentioned above, I am directed to state that it is understood that the question of rates for power has since been discussed by you with the El.Engr.to Govt. and that you have agreed to reduce the rates as under:

For power supply during day and night, including pumps.	A standing charge of Rs 2 per B.H.P.connected per month or part thereof, plus annas two per unit.
For power supplied over 3 B.H.P. during day time only, from 6 A.M. to 6 P.M., excluding pumps.	A standing charge of Rs.2 per B.H.P.connected per month or part thereof, plus anna one per unit.

I am to request that pending further orders in the matter, you will kindly arrange to bring the revised rates mentioned above into force from the 1-4-39 and inform Govt.of your having done so at an early date.

Yours faithfully,

Copy forwarded, with compliments, to -

the Commr.,S.D.) with ref.to Govt.endt.
) No.2975/36-M, dated p24
the Collr.of) the 11-3-39.
Bijapur.)

the El.Engr.to Govt.(with ref.to his No. L.R.M.8/300, dated the 1-5-39), p29

for information.

B.K.R.
4-5-49.
263

ISSUED
11 MAY 1939

5-5-39

5/5

H.M.P.W.D.

5/5

9/5/39

1/5/39

The Bijapur Electric Supply Co. Ltd. Bijapur.

No. G-272 of 1939.

Bijapur. 18th May 1939.

M. & S. M. Ry.

To,

The Deputy Secretary to Government
Public Works Department,
Bombay.

Subject :- Bijapur Electric License:
Charges for the supply of electrical energy.

Sir,

With reference to your letter No. 2975/36-M, dated the 9th inst., we beg to inform you that the revised rates mentioned in your letter under reply have been brought into force from the 1st of April 1939.

We remain,
Sir,
Yours faithfully,

N. K. E. Bokari

Manager.
The Bijapur Electric Supply Co. Ltd.

(M B) Submitted for information
with ref. to G.L. No 2975/36-M
dt the 9-5-1939

2. Further action in
these papers may now be
held over pending the
examination of the Govt's
accounts for 1938-39 by the
A.G., Bombay, vide para 3 of
the Hon'ble Govt's remarks dt the 1-5-39.

3. A copy of the Govt's
letter covering may be endorsed
to the officers concerned for
information, as per draft put up

No. 2975/36-M
B.C. 23 May 1939

Copy forwarded w.c. to:-
the Commr, S.D.,
the Collector of Bijapur, &
the Hon'ble Govt to Govt,
for info w.r. to G.L. No. 2975/36-M
dt the 9-5-39.

By order of the Govt

PUBLIC WORKS DEPARTMENT
File No. 2975/36
19 MAY 1939
Serial No. 12220

ISSUED
27 MAY 1939

The Bijapur Electric Supply Co. Ltd. Bijapur.

No. G-616 of 1939.

Bijapur. 3rd December 1939
M. & S. M. Ry.

To,

The Deputy Secretary to Government,
Public Works Department,
Bombay.

Sir,

We most humbly and respectfully beg to bring to your kind notice that the present rates of Diesel oil, spare parts and other material required by an electrical undertaking have gone high owing to the international situation and consequently we shall be put to loss owing to the levy of the revised rates recently sanctioned for us by Government. We would therefore pray that you will be graciously pleased to move Government to allow us to bring into force the former rates in the case of supply for power purposes.

Soliciting the favour of compliance,

We beg to remain,
Sir,
Yours faithfully,
V. K. G. Bokaen
Manager.
The Bijapur Electric Supply Co. Ltd.

2975/36

Acknowledged on 12-12-39.

LA
6-12-39

ISSUED
12 DEC. 1939
MBB

A
13/12

M.B. 5/12

PUBLIC WORKS DEPARTMENT
File No. 2975/36
4 - DEC. 1939
Serial No. 28761

MB-5/12

4-12-39

LA
5/12

2975/36

M.B.

Submitted with reference to G.L. No. 2975/36-M., dated the 9th May 1939.

2. For the reasons given in his letter under disposal, the Manager, The Bijapur El.Supply Co.Ltd., requests Govt. to allow the Coy. to bring into force the former rates in the case of electric supply for power purposes. The Manager's letter may, in the first instance, be shown u.o. to the El.Engr. to Govt., for favour of remarks.

13-12-39

14/12

14/12

14/12/39

ELECTRICAL ENGINEER TO GOVERNMENT
Inwd. No. 4398
15 DEC 1939
File No. LRM8
P. W. D., BOMBAY

Below U.O.R.No.2975/36 dated the 14th December 1939, from Government in the Public Works Department.

No. 3524 of 1939.

Bombay, 16th December 1939.

Returned, with compliments.

2. The reasons adduced by the Supply Company in support of its request cannot be accepted as satisfactory. The Company was paying Rs.75/- per ton for oil F.O.R.Bombay, and I recently arranged for a lower rate in the neighbourhood of Rs.63/- per ton for a bulk supply with the Burmah-Shell Oil Storage & Distributing Company of India, Ltd. From the 30th October 1939, the rate was increased by annas 8 per unit of 8 gallons; this increase cannot be considered as a justification for reinstating the old rates for power purposes. The Company may be informed that its request cannot be acceded to at present.

Electrical Engineer to Govt.

P.

2975/31

M.B.

Submitted.

2. In view of the El. Engr's report overleaf, a draft letter to the Manager, The Bijapur El. Supply Co. Ltd. is put up for approval.

18/12/39

18/12

M.B. 18/12

PUBLIC WORKS DEPARTMENT
File No. 2975/36
16 DEC. 1939
Serial No. 29670

18/12

2975/36

No.2975/36-M.

P.W.D.,B.C., 19th Decr.1939.

To

The Manager,
The Bijapur Electric Supply Cd. Ltd.
Bijapur.

Subject: Request for reinstating the old rates for power purposes.

.....

Dear Sir,

With reference to your letter No. 135 G-616, dated the 3rd Decr.1939, on the subject mentioned above, I am directed to inform you that your 39 request for reinstating the old rates for power purposes cannot be acceded to at present.

D.A.Nil.

Yours faithfully,

Copy forwarded,with compliments, to the El.Engr.to Govt.for information, with reference to his No.LRM.8/3324 39, dated the 16-12-39.

18/12/39

18/12

ISSUED
20. DEC. 1939

Ex. Engr. will please attend.
21/12/39

(M.B.) Submitted.

2. Pl.see para.2 of the O.N.dated the 22-5-39. The Coy's accounts for the year 1938-39 have since been recd.and audited by the A.G.,Bombay. The accounts disclose a surplus of Rs 4,000 during the year and the Examiner Outside Audit recommended that this surplus should be utilised towards reduction of the lighting rate from annas 6 to annas 5½ per unit. It has,however,been decided,on the recommendation of the El.Engr.to Govt that the surplus should be utilised by the Coy.towards paying off the loan capital and also paying a certain amount in the Reserve Fund and that the question of reduction of rates may be reviewed at the next audit. Please see in this connection G.L.No.906/36-M, dated the 17-4-40 addressed to the Bijapur El.Supply Coy.Ltd. In the circumstances stated above, no further action is called for on these papers. The question of reduction of rates will be examined from time to time in file No.906/36 re: audit of the Coy's accounts and such action as may be deemed necy.will be taken in the matter. These papers may, if approved,be recorded after u.o.r.to the El.Engr.to Govt.

BKR
28/6

28-6-40

28/6

* U.O. to El. Engr. to Govt. 29-6-40

Below U.O.R.No.2975/36 dated the 29th June 1940, from Government in the Public Works Department.

No. Drm 8/1066 of 1940.

Bombay, 30th July 1940.

Returned, with compliments.

2. I agree with the Secretariat note (page 43).

Electrical Engineer to Govt.

P.

Received p43

4-7-40 4/7/40

A Ley

FB
File

PUBLIC WORKS DEPARTMENT
File No. 2975/36
3 – JUL. 1940
Serial No. 14242

RECORDED.

MB
3-7-40